



July 12, 2004

**Policy Brief..... Fiscal Year 2005 Agriculture Appropriations**

**BY THE NUMBERS:**

*Budget Authority in Millions of Dollars*

	<b>FY '04 Enacted</b>	<b>FY '05 Request</b>	<b>FY '05 Cmte Bill</b>
Appropriations	17,647	16,403	16,772
Supplemental Spending	0	0	0
<b>Grand Total</b>	<b>17,647</b>	<b>16,403</b>	<b>16,772</b>

**The Committee bill is:  
 \$875 million or 5.2% below last year and  
 \$369 million or 2.2% above the request.**

H.R. 4766 includes \$1.285 billion in savings, of which \$1.273 billion stems from changes to mandatory spending that are counted toward the 302(b) allocation of the Agriculture Appropriations Subcommittee. As a result, the bill complies with the Budget Act.

**Note:** In the past six years, discretionary agriculture spending has grown 24.8% and 3.8% each year on average.

**PROHIBITIONS:**

Drug Reimportation: Prohibits the FDA from preventing an individual who is not in the business of importing prescription drugs, a wholesaler, or a pharmacist from reimporting prescription drugs that comply with other FDA requirements.

FAIR ACT / A-76 Activities: Prohibits funds for the Chief Financial Officer from being obligated for FAIR Act or Circular A-76 activities (governing the federal government's outsourcing policies) until the Secretary has submitted to the Committees on Appropriations of both Houses of Congress a report on the Department's contracting out policies, including agency budgets for contracting out.

Rural Firefighters and Emergency Personnel Grant Program: Prohibits the payment of personnel to carry out this program as authorized in the most recent Farm Bill.

Wetlands Reserve Enrollment: Prohibits the payment of personnel to enroll in excess of 175,000 acres in calendar year 2005 in the wetlands reserve program.

Broadband loans: Prohibits the payment of personnel to carryout the mandatory broadband access loan program authorized in the most recent Farm Bill.

Value-Added Grants: Prohibits the payment of personnel to carryout the value-added agriculture product market development grant program authorized in the most recent Farm Bill.

### **Designation of Communities As Rural & Other Community Specific Provisions:**

Requires, notwithstanding any other provision of law, the Natural Resources Conservation Service to provide financial and technical assistance to the DuPage County, Illinois, Kress Creek Water Quality Enhancement Project, from funds available for the Watershed and Flood Prevention Operations program, not to exceed \$1,360,000 and Rockhouse Creek Watershed, Leslie County, Kentucky, not to exceed \$1,000,000.

Designates, notwithstanding any other provision of law, the City of Salinas, California; the City of Watsonville, California; the City of Hollister, California; the Town of Ulster, New York; County of Cleburne, Alabama; the City of Coachella, California; the City of Casa Grande, Arizona; the City of Creedmoor, North Carolina; the City of Eureka, California; the City of Clarksdale, Mississippi; the City of Vicksburg, Mississippi; the City of Wewahitchka, Florida; the Town of Horseshoe Beach, Florida; and the City of Carbondale, Illinois, as meeting the eligibility requirements for loan and grant programs in the Rural Development mission area.

## **LANGUAGE & FUNDING OF NOTE:**

Farmer's Markets in Big Cities: Permits the use of funds for the design and development of wholesale and farmer market facilities for major metropolitan areas.

International School Lunch Program: Includes \$75 million — an increase of \$25.3 million — for the McGovern-Dole International School Lunch Program

## **EARMARKS:**

The bill earmarks millions of dollars for specific agriculture research projects not requested by the Administration.

Among the Hundreds of Earmarks:  
Wool Research: \$300,000

Wood Utilization Research: \$6,150,000  
 Weed Control (ND): \$387,000  
 Rural Obesity Research (NY): \$200,000  
 Asparagus Technology & Production: \$250,000  
 Greenhouse Nurseries (OH): \$750,000  
 Income Enhancement Demonstration Project (OH): \$1,247,000  
 Dietary Intervention (OH): \$900,000

See Pages 27 through 36 of the Committee Report for a complete list.

## FUNDING SUMMARIES:

*Budget Authority in Thousands of Dollars*

	FY 2004 Enacted	FY 2005 Request	FY 2005 Cmte	Cmte Vs. FY 2004	Cmte Vs. Request	Cmte Vs. FY 2004	Cmte Vs. Request
<b>Agriculture Programs</b>							
Office of the Secretary.....	5,062	5,185	5,185	123	0	2.43%	0.00%
Executive Operations.....	170,072	252,915	189,316	19,244	-63,599	11.32%	-25.15%
Hazardous Materials Management.....	15,519	15,730	15,730	211	0	1.36%	0.00%
Economic Research Service.....	70,981	80,032	76,575	5,594	-3,457	7.88%	-4.32%
Agriculture Statistics Service.....	128,161	137,594	128,661	500	-8,933	0.39%	-6.49%
Agriculture Research Service S&E.....	1,082,468	987,597	1,057,029	-25,439	69,432	-2.35%	7.03%
Cooperative State Research, Education & Extension..	1,113,035	1,005,514	1,141,146	28,111	135,632	2.53%	13.49%
Outreach to Socially Disadvantaged Farmers.....	5,935	5,935	5,935	0	0	0.00%	0.00%
Animal & Plant Health Inspection Service S&E.....	716,329	828,361	808,823	92,494	-19,538	12.91%	-2.36%
Agriculture Marketing Service.....	93,695	103,145	93,039	-656	-10,106	-0.70%	-9.80%
Grain Inspection, Packer & Stockyards Admin.....	35,678	44,150	37,540	1,862	-6,610	5.22%	-14.97%
Food Safety & Inspection Service.....	779,882	838,660	824,746	44,864	-13,914	5.75%	-1.66%
Farm Service Agency S&E.....	982,934	1,007,877	1,007,597	24,663	-280	2.51%	-0.03%
Loan Subsidies.....	195,492	161,243	158,008	-37,484	-3,235	-19.17%	-2.01%
Agriculture Credit Insurance Expenses.....	289,251	313,011	297,445	8,194	-15,566	2.83%	-4.97%
Risk Management Agency.....	71,001	91,582	72,044	1,043	-19,538	1.47%	-21.33%
<b>Conservation Programs</b>							
Office of the Under Secretary.....	741	936	731	-10	-205	-1.35%	-21.90%
Conservation Operations.....	847,971	710,412	813,673	-34,298	103,261	-4.04%	14.54%
Watershed Surveys & Planning.....	10,500	5,083	11,083	583	6,000	5.55%	118.04%
Watershed & Flood Prevention.....	86,487	40,173	86,487	0	46,314	0.00%	115.29%
Watershed Rehabilitation.....	29,629	10,091	30,091	462	20,000	1.56%	198.20%
Resource Conservation.....	51,641	50,760	51,641	0	881	0.00%	1.74%
Farm Bill Technical Assistance.....	0	92,024	0	0	-92,024		100.00%
<b>Rural Development</b>							
Office of the Under Secretary.....	632	929	632	0	-297	0.00%	-31.97%
Rural Community Advancement Program.....	752,956	541,979	667,408	-85,548	125,429	-11.36%	23.14%
Salaries & Expenses (Including Transfers).....	626,748	665,552	638,310	11,562	-27,242	1.84%	-4.09%
Rural Housing Loan Authorization.....	4,329,512	4,041,731	4,686,906	357,394	645,175	8.25%	15.96%
Rental Assistance Program.....	580,554	592,000	592,000	11,446	0	1.97%	0.00%
Mutual & Self-Help Housing Grants.....	33,799	34,000	34,000	201	0	0.59%	0.00%

	FY 2004	FY 2005	FY 2005	Cmte Vs.	Cmte Vs.	Cmte Vs.	Cmte Vs.
	Enacted	Request	Cmte	FY 2004	Request	FY 2004	Request
Rural Business-Cooperative Loan Authorization.....	54,678	59,216	59,216	4,538	0	8.30%	0.00%
Rural Business Loan Subsidy.....	17,206	15,868	15,868	-1,338	0	-7.78%	0.00%
Rural Cooperative Development Grants.....	23,858	21,000	23,500	-358	2,500	-1.50%	11.90%
Rural Empowerment Zone Grants.....	12,592	0	11,419	-1,173	11,419	-9.32%	
Renewable Energy Programs.....	22,864	10,770	15,000	-7,864	4,230		39.28%
Rural Utility Loan Authorization.....	5,502,935	3,135,000	4,840,000	-662,935	1,705,000	-12.05%	54.39%
Rural Utility Loan Subsidy.....	184	5,158	5,158	4,974	0	2703.26%	0.00%
Rural Telephone Bank Loan Authorization.....	173,503	0	175,000	1,497	175,000	0.86%	
Dist. Learning, Telemedicine, Broadband Loan Auth...	898,101	331,081	514,038	-384,063	182,957	-42.76%	55.26%
Dist. Learning & Telemedicine Loans Subsidies.....	60,756	34,884	44,594	-16,162	9,710	-26.60%	27.84%
<b>Domestic Food Programs</b>							
Office of the Under Secretary.....	595	799	595	0	-204	0.00%	-25.53%
WIC.....	4,611,861	4,787,250	4,907,250	295,389	120,000	6.40%	2.51%
Commodity Assistance Program.....	149,115	169,416	178,797	29,682	9,381	19.91%	5.54%
<b>Foreign Assistance</b>							
Foreign Agriculture Service.....	135,723	147,619	142,264	6,541	-5,355	4.82%	-3.63%
McGovern-Dole Int'l School Lunch Program.....	49,705	75,000	75,000	25,295	0		0.00%
PL 480 Program Appropriation.....	1,318,198	1,298,364	1,291,516	-26,682	-6,848	-2.02%	-0.53%
<b>FDA</b>							
Salaries & Expenses Including Fees.....	1,665,258	1,820,849	1,783,849	118,591	-37,000	7.12%	-2.03%
Buildings & Facilities.....	6,959	0	0	-6,959	0	-100.00%	0.00%
<b>Other &amp; General Provisions</b>							
Commodity Futures Trading Commission.....	89,901	95,327	93,327	3,426	-2,000	3.81%	-2.10%
Hunger Fellowships.....	2,982	0	2,500	-482	2,500	-16.16%	
Tree Assistance.....	14,912	0	0	-14,912	0	-100.00%	0.00%
Sheep Industry Improvement Center.....	496	0	500	4	500	0.81%	
Denali Commission.....	994	0	0	-994	0	-100.00%	0.00%

**Committee Action:** On July 7, 2004, the House Appropriations Committee reported the legislation to the full House.

**Constitutional Authority:** The Appropriations Committee, in House Report 108-577, cites constitutional authority in Article I, Section 9, Clause 7 (“No money shall be drawn from the Treasury but in consequence of Appropriations made by law”).

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